

## EFFECTS OF PARTICIPATIVE DECISION MAKING ON THE PERFORMANCE OF FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN), LAGOS

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### ABSTRACT

*This study examines participative decision making and performance in the Federal Airports Authority (FAAN), Lagos, Nigeria. The broad objective of the study is to find out if the employee actively participates in decision making and the effect on organizational performance. The specific objectives of the study are to ascertain the relationships between FAAN performance and employee involvement (or voice), internal communication channels, management support for participation, investments in the human capital, and demographical variables. Theoretically, the study has analysed and evaluated the extant literature on participative decision making. This study is based on human relations and participatory democratic theories, which are adopted to guide our study. The methodology adopted is descriptive survey. The findings of the study revealed that the command and control strategy is no longer an adequate model in FAAN; a more collaborative framework that engenders greater organisational commitment and improved performance is in use as at the time of study which is considered appropriate for decision making in organisations. The effect is high level of performance. The implication of study is that if similar organizations adopt participative decision making, their performance would increase to a higher level.*

**KEYWORDS:** *Participative, Decision Making, Performance*

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### INTRODUCTION

The complexity of problems involved in decision making process in management practice imposes a new perspective of a company's management, which emphasizes the involvement of the employees in all the actions and decisions in which they are qualified. In order to survive the intensive competitive situations in the business world, companies must jettison old management practices, based on an excessive authority. Modern management demands the stimulating of employees' participation in the company's activities and in the decision making process. Since the year 2000, employees' participation in the company's decision making process has attracted more attention of the management specialists, and studies made over many groups of employees have demonstrated the positive link between the participation rank, the grouping cohesion, member solidarity and the degree of social and professional fulfillment (Stefanescu, 2008).

There are three important factors regarding participation in decision making: involvement, contribution and responsibility. Participation is seen as the mental and emotional involvement of people in group situations that encourages them to contribute to group goals and shared responsibility. It means meaningful involvement—rather than mere muscular activity which motivates people to contribute. Thus, people are empowered to release their own resources and creativity to achieve the objectives of the organization. It especially improves motivation by

helping employees understand their paths towards goals. Participation encourages people to accept responsibility for their group activities. Therefore, it is the social process by which people become self-involved in an organisation and want to see it work successfully (Newstrom & Davis, 2004). This means that when employees are not involved in decision making they may not contribute meaningfully and may not show responsibility for actions.

Participation tends to improve motivation because employees feel more accepted and involved in the situation if their voice is heard in decision making. Their self-esteem, job satisfaction and cooperation with management may also improve. The results often are reduced conflict and stress, more commitment to goals, and better acceptance of change. Turnover and absence from duties may be reduced because employees feel that they have a better place to work and that they are being more successful in their jobs (Newstrom & Davis, 2004). The act of participation in itself establishes better communication as people mutually discuss work problems. Management tends to provide workers with increased information about the organization's finances and operations, and this sharing of information allows employees to make better-quality suggestions.

Participatory management requires that all middle level managers and even lower management be accorded voice in the organizational decisions. Their voice in decision making in the circle of the top management becomes imperative towards their effective performance and transferring the final decisions to the subordinates while precluding organizational disturbances like strike actions, demonstrations, work to rule and unhealthy labour relations. Being involved in a process is not equivalent to having a voice. Voice needs to be nurtured, people need to feel able to express themselves without fear of reprisal or the expectation of not being listened to or taken seriously. However, no matter how well-meaning the instigators of the participatory processes at the organisational level may be, they have no control whatsoever over what may happen as a consequence (Mukasa, 2000).

Much of the literature on linking worker participation with productivity growth has focused on harnessing workers' ideas and efforts to perform more effectively through increased investments in human capital. Agwu and Olele (2014) in their study on "perception survey of employees' participation in decision making and organizational productivity in Julius Berger Nigeria Plc. Bonny Island" argues for a Nigeria productivity model where there is the encouragement of work teams, training and re-training of employees, improvement of reward system and improvement of internal communication channels. The standard underlying assumption for many American productivity models has been that managers are inadequately motivated and need no advice to improve their performance (Levitin & Wernek, 1984). In contrast to the United States (US) model, analysts have found that employers' investment in training in Germany and Japan are more substantial. American managers have been criticised for failing to motivate production workers. By establishing layers of bureaucracy between workers and managers, the latter do not work as closely as their Japanese or German counterparts do. In the US, employers do provide considerable resources for employee training, estimated by the American Society for Training and Development at \$7 billion about 20 years ago (Carnevale & Goldstein, 1983), however, some observers fault American employers for their short-term perspective as evidenced by focusing the bulk of the training effort on management and technical personnel and for their consequent misallocation of the investments that are needed to improve productivity over the longer term; programs for manual workers are much rarer; and there is relative lack of training for production workers.

The literature provides ample evidence of the successful use of employee participation in decision making to improve overall company performance. However, it is the means by which participation influences company performance

that provides the crucial explanatory factors. When participating in goal setting, the employees can play a vital role in achieving business target. Workers can select their work schedules which ensure workforce diversity in organisation. If the enterprise selects payment overtime system according to the employees' opinion, it increases productivity. So, employee participation has a positive effect on performance and motivation (Bhuiyan, 2010).

Four sets of ideas are identified for locating the present study; these are democracy theory (like politics: activate & release capabilities), socialist theory (workers controlling production process), human growth & development theory (participation lifts motivation & commitment), productivity & efficiency theory (raise quality & acceptance of decisions). These ideas have fluctuated in importance over time, as indicated by the four phases of European employee participation. The emphasis on employee rights has placed democracy theory at the heart of most arguments for employee participation over the last couple of decades. However, the argument for more participation has placed more emphasis on democracy theory and socialist theory (Dachler & Wilpert, 1978). Nonetheless, employees are mainly interested in participation regarding their own work. The productivity and efficiency theory has become more relevant as organisations try to lift their performance and in light of widespread restructuring which often makes employee acceptance of change an important issue.

Studies on impacts of participative decision making on performance have increased tremendously in recent times. Some of these researches have considered employees' involvement, commitment and demographic variables (Noah, 2008); employee participation in decision making and performance (Ojokuku & Sajuyigbe, 2014); employees' commitment and organizational productivity (Agwu & Olele, 2014), participation, self-efficacy and idiocentrism (Lam, Chen & Schaubroeck, 2002), quality management (Nazeri, Javanmard & Tohidi, 2011), knowledge sharing, transformational leadership, and intellectual capital (Danish, Munir, Nazir, Abbasi&Hunbal, 2013), turnover, leadership style, staff morale, service quality in the public service, absenteeism, and productivity (Horsford, 2013), Job satisfaction, employee commitment, and productivity (Bhatti & Qureshi, 2007), job satisfaction and work situational factors (Muindi, 2011); job satisfaction (Hashem, Pisheh, Sharifizadeh & Panahi, 2013), communication and job satisfaction (Tourani&Rast, 2012). Furthermore, five major causes of poor participation in decision making can be identified, namely, absence of willingness of the management, absence of labour union activities, lack of workplace diversity, illiteracy of the workers and political grouping among the workers (Bhuiyan, 2010). However, areas that seems not to have received sufficient analysis in participation literature is employee involvement or "voice" in decision making. Also, the effect of internal communication, management support for participation, employee initiatives, team building and human capital investments in participative decision making has not been adequately studied, hence this study.

Today's work environment demands investment in the human capital of an organisation for employees to excel in their jobs. However, it is strongly perceived that practices like employee participation have not been given due attention in most Nigeria public organisations, like FAAN. This study undertakes an empirical study on the effects of participative decision making on performance in the aviation industry, in relation to the Federal Airports Authority of Nigeria (FAAN). The FAAN is responsible for the development and maintenance of airports and related aviation services in Nigeria. It comprises nine directorates: airport operations; finance and accounts; human relations and administration; legal services; commercial and business development; maintenance and engineering; projects; security services; and cargo development. The seemingly poor performance of the Nigerian aviation industry in the past could be attributed to weak employee voice or lack of equity in participative decision making, along with organizational restructuring and the

accompanying cultural change. This is why the study is necessary to support or disabuse peoples' minds on FAAN's attitude toward their staff in decision making.

The broad objective of the study is to examine the effects of participative decision making on organizational performance, using Federal Airports Authority of Nigeria as a case study. The specific objectives of the study include the following:

- To ascertain whether employees' involvement (or voice) affect the performance of Federal Airports Authority of Nigeria, Lagos;
- To determine whether internal communication channels affect the performance of Federal Airports Authority of Nigeria, Lagos;
- To investigate whether management support for participation affect the performance of Federal Airports Authority of Nigeria, Lagos;
- To determine whether investment in intellectual capital affect the performance of Federal Airports Authority of Nigeria, Lagos;
- To investigate whether demographical variables affect the performance of Federal Airports Authority of Nigeria, Lagos.

### **Theoretical Background**

In this section, we outline theoretical arguments on the effects of participative decision making on the performance of organisations. Our review is brief because in general, participation theories do not provide unambiguous conclusions. The study on worker participation in management decision making is guided by human relations and democratic theories. The co-operation of workers is desirable for the attainment of the objectives of high productivity and industrial peace. Human relations theory contends that workers would be better motivated if they are treated like human beings rather than as irrational objects, for instance, by making them have a feeling that the organization accords them recognition by involving them in the decision making process. In view of this theory, the worker is to be perceived in terms of his membership of a social group rather as an individual; his/her behaviour is seen as a response to group norms rather than simply being directed by financial consideration. Thus, when the opportunity arises workers contribute to management decision making, and participate effectively in organizational issues.

On the other hand, the democratic theory emphasises on conditions which are necessary for effective participation and functioning of the individuals in society; and through participation in decision making, individual sense of freedom is increased since it gives him a very real degree of control over the course of his life and structure of his environment (Rousseau, 1956). Participation serves to increase the value of individual freedom by enabling him to be his own master. Democratic theory assumes that man is selfish in the sense that each participant would be motivated by the desire to protect or enhance his own personal interest. Thus, increased participation is likely to increase the feeling of political efficiency that ordinary citizens possess, thereby increasing the potential so that their actions can have effect on public policy and lead to a greater sense of control over their communal lives. Inherently, greater participation in one sense of life leads to greater participation in other spheres including the work place (Pateman, 1970). The theory views the political arena as a kind of market place in which individuals constantly attempt to maximize the benefits, and minimize losses they could

secure from the political process. Mills (1965) sees industry as an area where the individual could gain experience in the management of the collective just as he could in life especially in government.

### **Participation in Management Decision Making**

In the review of the extant literature, we observed that several authors have investigated the existing level of worker participation in management decision making. Within the Nigerian work environment, employees demonstrate a high interest in participation in decision making process within their respective work places. For example, Noah (2008) found that education and age influence employees' involvement in decision making as well as frequency of employees' consultation and organisational commitment. Noah's (2008) work was of the view that there is a growing desire of non-management employees in Nigerian work environment to exercise greater involvement in the decision making process of their enterprises, but the actual level of involvement in management decision making demonstrated by the employees was relatively low. In a related study, Kuye and Sulaimon (2011) found that employee involvement in decision making affects firms' performance. The study revealed a significant difference between the performance of firms whose employee involvement in decision making are deep and those whose employee involvement in decision making are shallow. The implications of these studies include the need for all firms to demonstrate high level of commitment to employee involvement in decision making for performance enhancement in Nigeria organisations.

### **Relationship between Participation and Performance**

Studies have shown relations of participation to performance. For example, Federal Airport Authorityair traffic controller specialists indicated that equity perceptions moderated the relationship between participation in decision-making and level of job satisfaction (Myers, 1991). Mayer's study revealed that the correlation between participation in decision-making and job satisfaction scores was higher among variables 'high in equity' than those 'low in equity'. Hence, when individuals perceived their pay, promotional opportunities, and performance ratings as being unfair, participation in decision-making may have had less effect on job satisfaction than when individuals perceived them as being fair. Usually, the success of managerial efforts to improve job satisfaction by implementing participation in decision-making efforts may be limited when subordinates perceive their personal work situation as unfair. Moreover, Mayer's work asserts that Federal Aviation Administration personnel indicated that perceptions of participation in decision-making and environmental uncertainty accounted for unique variance in perceptions of levels of fairness in personnel decisions. This suggests the importance of information in the development of equity perceptions.

One issue that could unite advocates for both organizational performance and human rights would be whether enhancing the latter through reducing discrimination could positively influence employee orientations and behavior towards the company. Certainly there are indications that possessing and expressing a 'voice' in organizational affairs can be associated with positive performance effects, and that a collective voice may be most effective. There are practical problems, though: the evidence shows that, even where unions are recognized, their impact on human rights issues, such as work-life balance or promoting gender equality, may be muted. Second, union membership and influence has declined spectacularly over the past three decades and shows few signs of revival, especially among young people and in newer sectors of the economy (Labour Research, 2004).

Other significant implications are that participatory schemes may amplify existing social inequalities in the workplace. First, they may further exclude certain individuals or groups by making it difficult for them to take part in these

schemes. Second, compound disadvantage may accrue through excluding these employees from input into decision making, thereby possibly distancing them further through consequent actions. A major social obstacle to participatory forms of work organization is that they can result in increased work effort and responsibilities, which can be incompatible with family situations or caring responsibilities (White, Hill, McGover, Mills & Smeaton, 2003). It is not clear whether workers want far-reaching changes in their work life or that management wants to encourage such changes. To workers, greater productivity may represent a threat to home affairs. Conversely, management sees improving productivity as a process of gaining from labour greater flexibility in job assignment, production standards, crew sizes, and other elements over which labour has gained control.

Organized labour has been wary of work-reform proposals. Sceptical unionists believe that many experiments at the workplace are designed to raise production standards, thereby eliciting greater work effort and circumventing seniority systems. Unions fear that these initiatives will become a means of avoiding fair compensation and will leave workers no real ability to influence key corporate decisions or to exercise greater control over their work lives. Even the limited cooperation and consultation associated with quality control circles, a concept originally developed in the United States, is viewed with suspicion by management and unions. Proposals by employees are not readily accepted by supervisors, who are concerned about their loss of authority, or by production engineers, who may have little direct contact with the workers making the suggestions. Consequently, many of the existing quality control circles tend to provide a more narrow scope for participation and for potential productivity gains.

## METHODOLOGY

In this study, performance (dependent variable) is the reactions to equity in participative decision making; operationalised as satisfaction, general achievement, set goal achievement or company adjustment. Participation (independent variable) is operationalised as power, information sharing, knowledge & skills (i.e., employee involvement and labour-management communication). The moderating variables are work situational factors (operationalized as leadership style, quality circles, training, bonuses and compensation/reward) demographics (gender, sectors, etc.), and union recognition. Primary data was obtained by questionnaires administered to the sample of respondents drawn from the population of middle level managers of FAAN, using the Taro Yamani Formula and random sampling method.

In the empirical review, we found similar views on the relationship between participation and job satisfaction. It was observed that participation influence job satisfaction (Bhatti & Qureshi, 2007; Muindi, 2011), job satisfaction influence both employees' participation and communication (Tourani & Rast, 2012); job satisfaction of employees has a significant positive influence on employees' participation (Hashem, Pisheh, Sharifizadeh & Panahi, 2013). Thus we propose the regression model in equation (1) & (2) below.

$$PFAAN_i = \beta_0 + \beta_1 EIV_i + \beta_2 ICC_i + \beta_3 MSPDM_i + \beta_4 IIC_i + \varepsilon_i \quad (1)$$

Where:

PFAAN = performance of FAAN (job satisfaction as proxy)

EIV = employee involvement (or voice)

ICC = internal communication channels

MSPDM = management support for participation

IIC = intellectual capital

$\beta_{t,s}$  = Regression coefficients (the significant relation/contribution of each of the criterion variables to outcome).

And a priori condition:  $\beta_t$ 's  $\geq 0$  (2)

The tests were carried out at the 5% level of significance (or  $p \leq .05$ ).

## FINDINGS

Table 1: Shows respondents demographic characteristics. These are discussed below.

**Table 1: Respondents Demographical Characteristics**

S/N	Categories	No.	%
1.	<b>Gender</b>		
	Male	10	50
	Female	10	50
2.	<b>Age</b>		
	30 years or less	9	45
	Between 30-40 years	6	30
	41 years and above	5	25
3.	<b>Marital Status</b>		
	Single	11	55
	Married	7	35
	Widowed	2	10
4.	<b>Educational Qualifications</b>		
	Primary School Certificate	0	0
	School Cert and Equivalent	5	25
	OND/NCE Certificate	4	20
	First Degree	7	35
	Post Graduate	4	20
5.	<b>Decision Making Level</b>		
	Top management Level	7	35
	Middle management Level	4	20
	Lower management Level	7	35
	operatives Level	2	10

*Source: Case Study, 2014.*

Table 1 show that there is no discriminatory employment in the study organization. Most workers are from 30 years of age and are single. About half of the staff strength has at least a first degree, while decision making is not significant at any level. Table 2 shows employee performance at the Federal Airports Authority.

**Table 2: Performance of Federal Airports Authority**

S/N	Statement	% Responses					Summary	
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev
6.	Considering my skills and the effort I put into my work, I am satisfied with my pay	20	35	0	40	5	3.25	1.33
7.	Promotions and unscheduled pay increases depend on how well a person performs his or her job.	20	55	5	10	10	3.65	1.226

**Table 2: Contd.,**

8.	My performance rating represents a fair and accurate picture of any actual performance.	15	30	10	45	0	3.15	1.182
9.	My supervisor clearly explains to me what he/she expects from my performance.	10	70	10	10	0	3.80	0.768
10.	My supervisor clearly explains to me the standard that will be used to evaluate my work.	15	60	10	15	0	3.75	0.910
11.	My supervisor explains how I can improve my performance.	15	60	10	15	0	3.75	0.910
12.	My supervisor gives me a chance to question how I should meet my performance expectations.	20	35	30	15	0	3.60	0.995
13.	My performance expectations measures what I really do for the organisation	10	35	25	30	0	3.25	1.020

*Source: Case Study, 2014.*

Table 2 shows that high number of staff is satisfied because their skills and efforts are considered in decision making. It also shows that promotions and unscheduled pay rise increases commitment but appraisal rating hardly represent fair judgement of the staffers' performance. Table 3 shows employee involvement or voice in decision making.

**Table 3: Employee Involvement or Voice in Decision Making**

S/N	Statement	Responses					Summary	
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev
14	My supervisor encourages people to speak up when they disagree with decision	30	30	10	20	10	3.50	1.395
15	My supervisor encourages subordinates to participate in important decisions	20	55	15	10	0	3.85	0.875
16.	I have a great deal of say over what has to be done in my job.	20	40	30	10	0	3.70	0.923
17.	I often offer suggestions to my supervisor to help solve work-related problems.	30	55	5	10	0	4.05	0.887
18.	In this organisation, I have high degree of influence in organisation decisions.	20	10	20	45	5	2.95	1.276
19.	I often participate in decisions regarding my job.	20	60	5	10	5	3.80	1.056
20.	In this organisation I can participate in setting new company policies.	15	15	10	35	25	2.60	1.429
21.	In this organisation, my views have a real influence in company decisions.	15	30	20	20	15	3.10	1.334
22.	I have confidence in my ability to participate effectively.	30	55	5	10	0	4.05	0.887
23.	I feel good when I cooperate with others.	30	60	5	5	0	4.15	0.745
24.	If a co-worker gets a prize, I would feel proud.	40	50	5	5	0	4.25	0.786
25.	My personal identity, independent of others, is important to me.	25	10	25	40	0	3.20	1.240
26.	The decisions in my department are made through consultation with members of the department	30	40	25	5	0	3.95	0.887

Table 3: Contd.,								
S/N	Statement	30	30	20	20	0	3.70	1.129
27.	I am given an opportunity to solve problems connected with my work.							

*Source: Case Study, 2014*

Table 3 shows that employees are given opportunity to air their voices on issues concerning their jobs. It also shows that teams are encouraged and employees are happy to be in their work teams and people are given opportunities to be creative and exercise initiatives when job demands it. Table 4 shows internal communication channels.

**Table 4: Internal Communication Channels**

S/N	Statement	Responses					Summary	
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std.Dev
28.	My management encourages sharing of ideas.	25	65	5	5	0	4.10	0.718
29.	My supervisor has great impact on knowledge sharing processes.	20	65	10	5	0	2.00	0.725
30.	I am eager to collect and share knowledge	30	60	5	5	0	4.15	0.745
31.	My organisation has developed effective internal systems to flow the information and knowledge sharing.	5	70	20	5	0	3.75	0.639
32.	There is great awareness about knowledge sharing and also to the development level.	5	70	20	5	0	3.75	0.639
33.	Knowledge is significantly affected by leadership support.	10	70	15	5	0	3.85	0.671
34.	Motivating structures and accessibility and usability of technology has great impact on knowledge sharing.	20	60	15	5	0	3.95	0.759
35.	Job security is a hurdle in the way of employee's eagerness to share knowledge.	30	55	10	5	0	1.90	0.788
36.	Knowledge quality depends upon the willingness of sharing knowledge and group distinctiveness.	15	70	5	5	5	3.85	0.933
37.	My manager tells me what is happening in the organisation.	5	30	30	20	15	2.90	1.165
38.	I am told how the company is performing on a regular basis.	5	25	20	30	20	2.65	1.226
39.	If my supervisor asked why a problem occurred, I would speak freely even if I were partly to blame.	15	30	45	5	5	3.45	0.999

*Source: Case Study, 2014.*

Table 4 shows that top management encourages the sharing of useful ideas that job performance. Motivating structures and usable technology were seen to be supportive of knowledge sharing in FAAN. This has encouraged employees to speak out boldly and sincerely on issues bordering on job performance. Table 5 shows management support for participation in decision making.

**Table 5: Management Support for Participation in Decision Making**

S/N	Statement	% Responses					Summary	
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev
40.	I am satisfied with the amount of support and guidance I receive from my supervisor.	20	35	25	20	0	3.55	1.050
41.	Overall I am satisfied with the quality of supervision I receive at work from my manager.	10	60	10	20	0	3.60	0.940
42.	I have regular meetings with my boss to discuss how I can improve and develop.	10	30	10	50	0	3.00	1.124
43.	My supervisor keeps my interests in mind when making decisions.	5	20	30	40	5	2.80	1.005

*Source: Case Study, 2014.*

Table 5 shows that employees are satisfied with the level of support they get from top management and their immediate superiors on matters concerning their jobs. It also shows that employees have regular meetings with their superiors on their job performances. Table 6 shows investment in intellectual capital.

**Table 6: Investment in Intellectual Capital**

S/N	Statement	% Responses					Summary	
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev
44.	Expenditure on staffing, training and development is capitalized and shown in the balance sheet.	10	50	20	15	5	3.45	1.050
45.	I have opportunity to utilize my skills and talents.	10	70	15	5	0	3.65	1.040
46.	I have the opportunity to learn new skills.	10	70	15	5	0	3.65	1.040
47.	I am encouraged to acquire additional training and education.	15	60	10	10	5	3.70	1.031
48.	I am encouraged to learn skills outside of my immediate area of responsibility.	10	60	10	15	5	3.55	1.050
49.	If I want extra training my boss will help me find how to get it or will arrange it.	10	40	20	15	10	3.35	1.226
50.	I feel comfortable being creative because my supervisor understands that sometimes creative solutions do work.	65	10	20	5	0	3.35	0.988
51.	I have been trained and qualified to do this job.	10	65	15	5	5	3.70	0.923

*Source: Case Study, 2014.*

Table 6 shows that employer under study encourages employees to acquire additional on the job and out of job training. The employer backs their support with necessary expenditure when required. That encourages creativity, innovativeness, foresightedness and initiative in FAAN.

### Hypothesis Testing

We examine here the research questions derived from transforming the objectives of the study. The dependent variable of the study is performance of FAAN (PFAAN) with job satisfaction as proxy, while the independent variable is participative decision making. To further examine the background behavioural patterns in the data generated in the study, the bivariate (unconditional or ordinary) correlation analysis is conducted on the data for all the variables in the study.

Table 7 shows correlation matrix results for participative management. This is discussed below.

**Table 7: Correlation Matrix Results for Participative Management**

	PFAA	EIVDM	ICC	MSPDM	IIC
PFAA	1	.892**	.639**	.632**	.790**
EIVDM	.892**	1	.803**	.766**	.676**
ICC	.639**	.803**	1	.736**	.514*
MSPDM	.632**	.766**	.736**	1	.465*
IIC	.790**	.676**	.514*	.465*	1

\*\*.Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

**Note:** EIV = Employee involvement (or voice); ICC = Internal communication channels; MSP = management support for participation; IHC = Intellectual capital; DEV = Demographical variables

**Source:** SPSS Regression Output, 2014.

In Table 7, statistical tests, based upon the null hypothesis that the population correlation coefficient is equal to zero indicate that all correlations are significantly different from zero at the 1% and 5% significance levels. Thus, there are significant correlations between performance at Federal Airports Authority (PFAA) and all four (4) of the dependent variable. In descending order of magnitude, it is associated with employee involvement or voice in decision making (EIVDM) ( $P = .892^{**}$ ,  $p < .000$ ), internal communication channel (ICC) ( $P = .639^{**}$ ,  $p < .000$ ), management support for participation in decision making (MSPDM) ( $P = .632^{**}$ ,  $p < .000$ ), and investment in intellectual capital (IIC) ( $P = .790^{**}$ ,  $p < .000$ ).

We next examine the diagnostics of the regression model. Table 8 shows the ANOVA of participative decision making.

**Table 8: Analysis of Variance Tests (ANOVA<sup>a</sup>)**

Model	Sum of Squares	DF	Mean Square	F	Sig.
1.Regression	759.397	4	189.849	25.935	.000 <sup>b</sup>
Residual	109.803	15	7.320		
Total	869.200	19			

- **Predictors:** (Constant), INTELLECTUAL CAPITAL, MANAGEMENT SUPPORT FOR PARTICIPATION IN DECISION MAKING, INTERNAL COMMUNICATION CHANNELS, EMPLOYEE INVOLVEMENT OR VOICE IN DECISION MAKING
- **Dependent Variable:** PERFORMANCE OF FEDERAL AIRPORT AUTHORITY

In Table 8, ANOVA indicate a linear fit to the data ( $F = 25.935$ ,  $\text{sig.} = .000$ ). Table 9 shows the model summary

**Table 9: Model Summary<sup>b</sup>**

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	Df1	Df2	Sig. F Change	
1	.935 <sup>a</sup>	.874	.840	2.70559	.874	25.935	4	15	.000	2.034

- **Predictors:** (Constant), INTELLECTUAL CAPITAL, MANAGEMENT SUPPORT FOR PARTICIPATION IN

## DECISION MAKING, INTERNAL COMMUNICATION CHANNELS, EMPLOYEE INVOLVEMENT OR VOICE IN DECISION MAKING

- **Dependent Variable:** PERFORMANCE OF FEDERAL AIRPORT AUTHORITY

Table 9 shows that there autocorrelation does not exist in the data set (Durbin-Watson stats. = 2.034) and the goodness of fit statistic is satisfactory ( $R^2$  = .874, Adjusted  $R^2$  = .840). Table 10 shows the ordinary least squares (OLS) estimation of participative decision making.

**Table 10: Ordinary Least Squares (OLS) Estimation of Participative Decision Making**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	2.836	4.842		.586	.567		
Employee Involvement (or Voice) in Decision Making	.520	.123	.837	4.220	.001	.214	4.667
Internal Communication Channels	-.219	.197	-.182	-1.110	.284	.319	3.134
Management Support for Participation in Decision Making	-.059	.292	-.031	-.203	.842	.369	2.710
Intellectual Capital	.300	.113	.331	2.641	.019	.535	1.868

Source: SPSS Regression Output, 2014.

Table 10 show the linear relationship between employees' performance in FAAN and its antecedent attributes. The regression diagnostics indicate absence of multicollinearity in the independent variables ( $VIF < 10$  and  $Tolerance > 0.055$ ). The regression model is given as:

$$PFAAN = 2.836 + 0.520EIVDM - 0.219ICC - 0.059MSP + 0.300IIC \quad (3)$$

**Std. Dev.:** (4.842) (.123) (.197) (.292) (.113)

**T-Stats.:** (.586) (4.220) (.292) (-.203) (2.641)

**Sig.:** (.567) (.001) (.113) (2.641) (.019)

Hypothesis 1, which posits a positive relationship between perceived employee involvement (or voice) in decision making and performance in FAAN is statistically significant ( $\beta = .520$ ,  $t = 4.220$ ,  $p = .001$ ). Thus, the data reveal that as employee' perceptions of employee involvement increase, performance of FAAN improves.

The relationship proposed in Hypothesis 2 is not statistically significant. Here, perceptions of internal communication channelsis negativelybutnot significantlyrelated with performance of FAAN ( $\beta = -.219$ ,  $t = -1.110$ ,  $p = .284$ ).

Hypothesis 3, which posits a positive relationship between perceived management support for participation in decision making and performance of FAAN is not statistically significant ( $\beta = -.059$ ,  $t = -.369$ ,  $p = .842$ ). Thus, the data reveal that as employee' perceptions of management support for participation increase, the profile of performance of FAANdecreases. Hypothesis 3 is formally rejected.

Hypothesis 4, which posits a positive relationship between perceived level of intellectual capital and performance of FAAN is statistically significant ( $\beta = .300$ ,  $t = 2.641$ ,  $p < .019$ ). Thus, the data reveal that as employee's perceptions of intellectual capital increase, their performance of FAAN improves. Thus, our findings revealed that as employee's intellectual capital increases, the performance of FAAN increases. Therefore, employees who exhibit low levels of intellectual capital foster higher performance of FAAN than staff who indicated lower levels of intellectual capital. This leads us to accept Hypothesis 4.

## **DISCUSSIONS OF FINDINGS**

The results of the analysis supported the relationship between employee involvement (or voice) in decision making and performance in FAAN. Thus, a unit increase in employee involvement increases performance in FAAN by 0.520. In line with employee involvement paradigm, the finding of the study was supported by Quagrainne (2010) who revealed that employee involvement in decision making contributes to effective decision implementation and also creates an enabling environment for creativity and growth as employees see themselves as stakeholders and owners of the decision making implementation strategy. When employees see themselves as not being part of the decision making process, they become discontented and apathetic which is likely to adversely affect organisational performance. It also supports Cawley, Keeping and Levy (1998) assertion that overall appraisal participation was most strongly related to satisfaction, and value-expressive participation (i.e., participation for the value of having one's "voice" heard). This study found that employees are involved in the process of decision making in FAAN and that motivates employees to perform better which aggregates to higher organizational performance.

For internal communication channels, the negative but non-significant coefficient indicates that a unit increase in internal communication channels could have resulted in an increase in performance in FAAN by .219 units. It found that internal communication channels is not significant in FAAN. However, ICC gives employees the boldness to discuss issues relating to their job. The organization's benefit from that is higher performance resulting from the increased commitment of workers.

Management support for participation in decision making is negatively but not significantly related to performance in FAAN. However, a unit increase in management support for participation in decision making could have affected performance in FAAN by a value of 0.059. This confirms apriori expectation that there is absence of willingness of the management, absence of labour union activities, lack of workplace diversity, illiteracy of the workers and political grouping among the workers (Bhuiyan, 2010). Management support for employees participation in decision making process makes employees to assume that results from work done is not just management reward but theirs' also. This assumption spurs them to perform higher and that aggregates to higher performance of the organization.

The results of the analysis supported the relationship between intellectual capital and performance in FAAN. Thus, a unit increase in intellectual capital increases performance in FAAN by 0.300. The results suggested that EIVDM and IIC practices can be viewed as enablers of performance in FAAN. However, MSPDM and ICC were not significantly related to performance in FAAN. These findings are important to participative decision making.

## **CONCLUSIONS**

The study examined participative decision making and performance in the Federal Airports Authority (FAAN) in Lagos. Employee involvement (or voice) in decision making and intellectual capital are capable of fostering performance

in FAAN. However, the levels of internal communication channels and management support for participation in decision making were not quite satisfactory. These issues need to be addressed.

Workers' participation provides the basis for a new spirit of cooperation, which would make it easier for management and labour to set goals and work toward them collectively. But, the hoped-for reforms run counter to deeply embedded authoritarian norms and Nigerian cultural values of individualism and competitive struggle. These values translate into adversarial and hierarchical relations at the workplace. The real problem with establishing meaningful worker participation programs that contribute to greater productivity is that they require a redistribution of power within the workplace. The traditional management perspective is that the retention of control and final decision making authority is essential to profit maximization. Although some employers may seek the advice of their employees in order to solve production problems, management in general is more likely to want workers to feel involved rather than actually to help make policy.

Evidently, workers have productive potential that is not being tapped. Turning on their creative energies would no doubt improve the performance of many companies. It is therefore unrealistic to assume that in assessing existing relationships, labour and management are going to focus on cooperation and productivity considerations at the expense of traditional interests and motivations. This statement applies not only to situations where relations are governed by collective bargaining agreements but also in the non-union sector, where management's power is often greater. Consequently, any effort to encourage greater cooperation will have to focus on working within the traditional system, rather than on building parallel but often ephemeral structures.

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